

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 1

DESCRIPTION OF SERVICE

Utility System Operator will provide a Monthly Imbalance Service for individual customers including Utility Gas Procurement Department, end-use customers, wholesale customers, marketers and aggregators (referred to herein as "Customers") when their usage differs from their transportation deliveries to the Utility's system or their targeted sales gas quantities purchased and delivered by Utility. In case of Utility Gas Procurement Department, the Daily Forecast Quantity will be used as a proxy for daily usage and the calculation of imbalances.

The Monthly Imbalance Service provided hereunder has four components: Imbalance Trading, a no-charge Balancing Service, Standby Procurement, and Buy-Back. Under the Imbalance Trading Service, customers may locate other customers with offsetting imbalances and trade these quantities to avoid imbalance charges (Standby Procurement or Buy-Back). Imbalance Trading Service shall be facilitated either through Electronic Bulletin Board (EBB), as defined in Rule No. 1, or through the Imbalance Trading Form as described in Special Conditions 2 and 4 of this Schedule and in Rule No. 33. Balancing Service will be provided without charge if the cumulative imbalance at the end of the monthly imbalance trading period is within 10 percent of the customer's usage, in case of core aggregators their applicable Daily Contract Quantity, or in the case of Utility Gas Procurement Department the applicable Daily Forecast Quantity, (Tolerance Band) for the billing period. Any remaining cumulative imbalance within the tolerance band will be carried forward. Remaining imbalance quantities outside the tolerance band at the end of the imbalance trading period will be subject to a Standby Procurement Charge or Buy-Back as described under Rates.

Utility System Operator will require daily balancing during the winter operating period. From November through March, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 50% of their usage over a five day period. As the Utility's total inventory in storage declines to the peak day minimum + 20 Bcf, customers will be required to deliver 70% of their usage daily. As the Utility's total inventory in storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver 90% of their usage daily. Volumes not in compliance with the minimum delivery requirements will be purchased at the daily balancing standby rates described below. Imbalance trading and interruptibles withdrawal may not be used to offset the minimum delivery requirements. A complete description of the winter minimum delivery requirements is specified in Rule No. 30.

APPLICABILITY

Applicable to core and noncore transportation service to end-use customers, marketers, and aggregators.

TERRITORY

Applicable throughout the service territory.

RATES

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3235
 DECISION NO.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 7, 2003
 EFFECTIVE Mar 30, 2003
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 1

Imbalance quantities remaining at the end of the designated imbalance trading period and which are outside of the 10% tolerance band will be billed at the Standby Procurement Charge or purchased by Utility at the Buy-Back Rate. Any Standby Procurement Charge or purchases at the Buy-Back Rate of core imbalances created by the Utility Gas Procurement Department will be managed within the Utility System Operator's Operational Hub Services. Such core imbalances will be disposed of, with the net revenues from the core imbalance charges flowing back through the Noncore Fixed Cost Account (NFCA).

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3235
DECISION NO.

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 7, 2003
EFFECTIVE Mar 30, 2003
RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Standby Procurement Charge

This charge is applied to customer's cumulative negative transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Standby Procurement Charge is posted at least one day in advance of each corresponding imbalance trading period for noncore/wholesale and core transport agents (CTAs). It is calculated at 150% of the highest daily border price index at the Southern California border beginning on the first day of the month that the imbalance is created to five days prior to the start of each corresponding imbalance trading period plus a Brokerage Fee of 0.266¢ per therm for noncore retail service and all wholesale service, and 0.201¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index – Southern California Border Average" and "Gas Daily's Daily Price Survey – SoCal gas, large pkgs Midpoint."

Core Retail Service:

SP-CR Standby Rate, per therm

December 2005	209.001¢
January 2006	124.139¢
February 2006	115.626¢

Noncore Retail Service:

SP-NR Standby Rate, per therm

December 2005	209.066¢
January 2006	124.204¢
February 2006	115.691¢

Wholesale Service:

SP-W Standby Rate per therm

December 2005	209.066¢
January 2006	124.204¢
February 2006	115.691¢

R
R
R
D

Buy-Back Rate

This rate is applied to customer's cumulative positive transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Buy-Back Rate is established effective the last day of each month and will be the lower of 1) the lowest incremental cost of gas purchased by Utility during the month the excess imbalance was incurred; or 2) 50% of the applicable Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP, during the month such excess imbalance was incurred.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3610
 DECISION NO.
 200

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 22, 2006
 EFFECTIVE Mar 22, 2006
 RESOLUTION NO. G-3316

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(Continued)

RATES (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy-Back Rate, per therm

December 2005	45.228¢	D
January 2006	46.796¢	
February 2006	35.438¢	R

Wholesale Service:

BR-W Buy-Back Rate, per therm

December 2005	45.077¢	D
January 2006	46.639¢	
February 2006	35.320¢	R

If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, Utility will provide CPUC the necessary work papers for such cost. Such documentation will be provided under confidentiality pursuant to General Order 66-C and Section 583 of the Public Utilities Code.

Daily Balancing Standby Rates

During November through March customers are required to deliver (flowing supply and firm storage withdrawal) at a minimum of 50% of burn during a five-day period. Volumes not in compliance with the 50% five-day minimum delivery requirement are purchased at the daily standby rate. The daily balancing standby rate is calculated as 150% of the highest Southern California Border price during the five-day period as published in "NGI's *Daily Gas Price Index*" including authorized franchise fees and, for retail customers, uncollectible expenses (F&U) and an authorized brokerage fee. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere.

When the Utility's total inventory in storage declines to the "peak day minimum + 20 Bcf trigger", the minimum daily delivery requirement increases to 70%. The five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 70% delivery requirement. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere.

When the Utility's total inventory in storage declines to the "peak day minimum + 5 Bcf trigger", the minimum delivery requirement increases to 90% daily. Similar to the 70% regime, the five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including F&U and brokerage

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3601
 DECISION NO. 89-11-060 & 90-09-089
 300 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 28, 2006
 EFFECTIVE Feb 28, 2006
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(Continued)

fee) and is applied to each day's deliveries which are less than the 90% delivery requirement. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3601
DECISION NO. 89-11-060 & 90-09-089
300 et al.

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 28, 2006
EFFECTIVE Feb 28, 2006
RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 4

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm

March 2006 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W
1	\$0.91928	\$0.91993	\$0.91686
2	\$0.88870	\$0.88935	\$0.88639
3	\$0.86271	\$0.86336	\$0.86049
4	\$0.85660	\$0.85725	\$0.85439
5	\$0.85660	\$0.85725	\$0.85439
Period 1 High	\$0.91928	\$0.91993	\$0.91686
6	\$0.85660	\$0.85725	\$0.85439
7	\$0.88870	\$0.88935	\$0.88639
8	\$0.90093	\$0.90158	\$0.89858
9	\$0.89788	\$0.89853	\$0.89553
10	\$0.88717	\$0.88782	\$0.88486
Period 2 High	\$0.90093	\$0.90158	\$0.89858
11	\$0.89482	\$0.89547	\$0.89248
12	\$0.89482	\$0.89547	\$0.89248
13	\$0.89482	\$0.89547	\$0.89248
14	\$0.92692	\$0.92757	\$0.92448
15	\$0.94985	\$0.95050	\$0.94733
Period 3 High	\$0.94985	\$0.95050	\$0.94733
16	\$0.95750	\$0.95815	\$0.95495
17	\$0.97126	\$0.97191	\$0.96867
18	\$0.97431	\$0.97496	\$0.97171
19	\$0.97431	\$0.97496	\$0.97171
20	\$0.97431	\$0.97496	\$0.97171
Period 4 High	\$0.97431	\$0.97496	\$0.97171

C
|
|
|
C
C

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3611
 DECISION NO. 97-11-070

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 23, 2006
 EFFECTIVE Mar 23, 2006
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

March 2006 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W
21	\$0.96056	\$0.96121	\$0.95800
22	\$0.93457	\$0.93522	\$0.93210
23	N/A	N/A	N/A
24	N/A	N/A	N/A
25	N/A	N/A	N/A
Period 5 High	N/A	N/A	N/A
26	N/A	N/A	N/A
27	N/A	N/A	N/A
28	N/A	N/A	N/A
29	N/A	N/A	N/A
30	N/A	N/A	N/A
31	N/A	N/A	N/A
Period 6 High	N/A	N/A	N/A

Note: For the days of March 1-22, 2006 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies.

Revision of Rates

The Standby Procurement Charge and the Buy-Back Rate shall be established effective the last day of each month. The Daily Balancing Standby Rate shall be established on NGI's *Daily Gas Price Index*. Utility may file the Daily Balancing Standby Rate weekly to become effective immediately. In any event, the Daily Balancing Standby Rate shall be filed on or before the fifth business day of each month.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule are contained in Rule No. 1.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3611
 DECISION NO. 97-11-070

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Mar 23, 2006
 EFFECTIVE Mar 23, 2006
 RESOLUTION NO. _____

C
 C

T

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

2. Imbalances of customers other than Utility Gas Procurement Department or ESPs will be calculated by combining all of a customer's meters served under the same order control code, not by account or individual delivery point. The order control code is used by Utility to group those facilities identified by the customer for determining the customer's imbalances. In the case of Utility Gas Procurement Department the applicable Daily Forecast Quantity will be used. In the case of ESPs their applicable Daily Contract Quantity (DCQ) will be used
3. Immediately each month when actual meter usage information becomes available, an adjustment to the Utility Gas Procurement Department's imbalance account will be made to account for any differences between actual consumption of the core customers and the Daily Forecast Quantity, company use and LUAF.
4. Immediately each month when actual meter usage information becomes available, an adjustment to the ESP's imbalance account will be made to account for any differences between actual consumption of the core customers and the DCQ.
35. Customers may not use imbalance trading or as-available interruptible withdrawal during the period November 1- March 31 to offset minimum daily delivery requirements.
- 6-4. Customers may trade their monthly imbalances with other customers. Customer's cumulative imbalances will be stated on the customer's monthly bill. The customer's bill will serve as notice of current imbalances. Beginning at 7:00 a.m., Pacific Clock Time (PCT), on the 25th calendar day in the month of notification, customers may enter EBB to trade imbalances with other customers. Customers within the tolerance band may trade any quantities so long as the 10% tolerance band is not exceeded. Customers outside the tolerance band may trade quantities up to a maximum of their excess imbalance (quantities outside of tolerance) plus the 10% tolerance band. Utility will notify participants through EBB or other notice once the trade is validated. The trading period will end at 11:59 p.m. PCT on the 30th-last calendar day of the same month. During the month of February, the trading period begins at 7:00 a.m. PCT on the 23rd of the month and ends at 11:59 p.m. PCT on the 28th-last calendar day of the month. The trading periods are as follows:

<u>January 25-31</u>	<u>May 25-31</u>	<u>September 25-30</u>
<u>February 23-28 (or 29)</u>	<u>June 25-30</u>	<u>October 25-31</u>
<u>March 25-31</u>	<u>July 25-31</u>	<u>November 25-31</u>
<u>April 25-30</u>	<u>August 25-31</u>	<u>December 25-31</u>

57. Imbalance trades may be submitted through EBB or by facsimile using the Imbalance Trading Agreement Form (Form No. 6544) and must be received by the Utility by the close of the trading period.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3235
 DECISION NO.

600

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 7, 2003
 EFFECTIVE Mar 30, 2003
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 6

(Continued)

To submit an imbalance trade by facsimile, both parties must complete and send by facsimile a copy of the Imbalance Trading Agreement Form to the Utility. The Utility will then confirm the trade and adjust the participants' imbalance accounts. A processing charge of \$13.73 will be charged by the Utility for each imbalance trade submitted by facsimile using the Imbalance Trading Agreement Form. No processing charge will apply to an EBB subscriber for imbalance trades submitted by facsimile at a time the EBB system is unavailable for use by the subscriber.

68. Customers may opt to participate in the EBB's interactive trading platform in which imbalance trading parties may buy and/or sell imbalance gas. Instructions are provided on the EBB website.

679. Customers may use their storage account(s) to offset their imbalances or to trade with other customers under the conditions set forth in their applicable storage service rate schedule for unbundled storage service, or in Rule No. 32 for Aggregators.

A storage customer may trade positive imbalances, i.e., overdeliveries, into its storage account only if its storage inventory capacity is available during the month that the imbalance occurred and at the time the imbalance trade takes place. Similarly, a storage customer may trade negative imbalances, i.e., underdeliveries, using its storage account only if there is sufficient gas in storage in the account during the month that the imbalance occurred and at the time the imbalance trade takes place.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3235
DECISION NO.

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 7, 2003
EFFECTIVE Mar 30, 2003
RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

- ~~78~~10. After the imbalance trading period, the Standby Procurement Charge or Buy-Back will be applied to all imbalance quantities in excess of the tolerance band.
- ~~89~~11. Standby Procurement service provided hereunder will be curtailed in accordance with the provisions of Rule 23. Penalties for violations of curtailment shall apply as set forth in Rule No. 23. Customers will not be allowed to trade negative imbalances incurred during periods of curtailment.
- ~~91~~02. When in the judgment of the Utility transportation nominations are in excess of system capacity, Buy-Back service hereunder shall be applied to daily periods as designated by the Utility in accordance with the provisions of Rule No. 30, Section F. Customers shall not be allowed to trade positive imbalances incurred during such daily periods. The Buy-Back Rate shall apply to all positive imbalances in excess of the 10% tolerance band for each such period. Standby service shall be provided for the regular monthly balancing period and shall not be restricted to the excess nominations periods.
- ~~40~~13. Under this schedule, the responsible customer will reimburse the Utility for any penalties or charges incurred by the Utility under an interstate or intrastate supplier arrangement when such penalties or charges occur as a direct result of Utility's providing this imbalance service to customer.
- ~~41~~24. If as the result of billing error, metering error, or transportation adjustments, customer trades an incorrect amount of imbalance quantities based on notification by Utility, Utility will not be liable for any financial losses or damages incurred by customer nor will Utility be financially liable to any of the customer's imbalance trading partners. If as a result of such error, Utility overbills customer, Utility shall refund the difference. If Utility underbills customer, the customer shall be liable for the undercharge including any associated penalty. The customer shall not be relieved of imbalance penalties when a subsequent billing adjustment is made by Utility. For the purpose of determining imbalances and any applicable charges hereunder, Utility will include subsequent billing adjustments for prior periods as part of the usage deemed to occur during the subsequent period unless the customer reimburses the Utility for the actual cost of gas incurred. Trades occurring in prior periods will not be affected by such billing adjustments. Utility may issue a bill for Daily Balancing Standby Rate charges on a weekly or fortnightly basis upon customer or marketer request or if a customer or marketer delivers into the system less than 50 percent of its usage. Otherwise, Daily Balancing Standby Rate charges shall be included in the regular monthly bill.
- ~~12~~35. The Utility Gas Procurement Department will be not be assessed any charges under this schedule that are a result of its obligation to maintain system reliability when called upon by Utility System Operator to increase flowing supply when supply is insufficient to meet expected end-use demand or decrease scheduled deliveries when deliveries are expected to exceed end-use demand plus storage injection capacity.

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3018
 DECISION NO.
 700

ISSUED BY
William L. Reed
 Vice President
 Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Apr 27, 2001
 EFFECTIVE Jun 6, 2001
 RESOLUTION NO. _____